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*minority enterprises*

## The Supply Manager's Role in Corporate Social Responsibility Among Japanese Companies

CAPS Research Japan  
NPO ISM Japan, Inc.™

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NPO ISM Japan, Inc.™

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# Preface

As the principles of supply chain management become more widely practiced around the world, professionals in the field have begun to apply the concepts of social responsibility to their work. The Institute for Supply Management (ISM) has taken a leading role in defining the concepts of social responsibility as they apply within supply management in the United States. ISM has conducted its own research in this area and provided the results during the 89th International Supply Management Conference in Philadelphia, Pennsylvania.

In Japan, CAPS is the leading organization for purchasing and supply professionals, conducting research and leading thought on supply management topics. For 2004, CAPS chose corporate social responsibility as its topic of focus. We do not intend to compare the cultures of the United States and Japan in this report, but only to outline the ways that supply professionals in Japan approach issues of corporate social responsibility.

Concern about the social responsibilities of business management has been expressed through a variety of concepts since the latter part of the 20th century: “social responsibility” in the 1960s, “social responsiveness” in the 1970s and “social justice” in the 1980’s. The relationship between the enterprise and society has been established as one of the major modern management fields.

The year 2003 was particularly important in social responsibility, having been declared the global Year of Corporate Responsibility. More recently, the International Organization for Standardization (ISO) formally resolved on standardizing the concepts of corporate social responsibility (SR 26000) at its international conference in Brazil in March 2005. Naturally, along with this global interest in social

responsibility, Japanese companies are considering their own approaches and practices.

It seems that every week Japanese television broadcasts the apologies of top corporate executives for decisions that have earned public condemnation. Only in Japan do we see this kind of apologetic manner. However, the globalization of the world economy causes critical problems everywhere.

When industrial production is moved to emerging countries, clashes inevitably result, particularly as the interests of corporate managers conflict with those of the local communities, or when environmental destruction results. Managers must recognize that when they engage in global business, they inevitably and directly confront the societies where the supply chain is located.

When considering global issues of corporate social responsibility, managers should include the following five elements:

1. The expanded area of the company’s activity
2. The evolution of information technologies
3. Consequences to the company of a reputation for actions that do not accord with social responsibility
4. Implications of green consumerism
5. The influence of socially responsible investment (SRI)

On the basis of these five elements, this report considers the extent to which corporate managers in Japan and the United States recognize the concepts of social responsibility, and, further, to what degree social responsibility is integrated into corporate culture in both countries.